

- Rural Housing Service
- Farm Service Agency
- Rural Business-Cooperative Service
- Rural Utilities Service

SUBJECT: Transmittal of Title Information

TO:

DATE:

You have been approved by the Agency as noted above to perform the title work and loan closing of this transaction in connection with the loan application identified below. The following documents are enclosed for preparation of a title opinion or insurance binder and other handling in accordance with 7 C.F.R. part 1927, subpart B.

1. Name and address of applicants					Telephone
2. Purchase Price \$	Type of Loan:	Interest Rate: %	Repayment Period: yrs	Amount of Loan: \$	Purpose of Loan:
Market Value \$		%	yrs	\$	
		%	yrs	\$	

3. Form RD 1927-9, "Preliminary Title Opinion" is enclosed for your use *(if applicable)*.

4. Other Documents attached:					
	Original	Copy	Legal Description:	Original	Copy
Deeds:					
Option:			Survey:		
Tax Bill:			Death certificate:		
Divorce Decree:			Other:		

5. Requirements of Preliminary Title Opinion or Title Insurance Binder:

**A. Alterations and omissions.** If required information is altered or omitted, the approval official is not authorized to accept the Opinion or Binder but must return it for completion.

**B. Property description.** The approved attorney or title insurance company must review the legal description of the land to ensure that the legal description and recital of all encumbrances, reservations, exceptions, and defects are complete and accurate. If a water right is to be included in the security for the loan, the approved attorney or title insurance company must also attach a full legal description of the water right followed by a recital of all reservations, encumbrances, defects, and exceptions. Land or water rights may be described by reference to a legally adequate description contained in a recorded instrument. A copy of this instrument must be provided to the Agency for review before closing. If the description of the property is not legally adequate, the deficiency must be listed as a title defect and the necessary curative action included under paragraph IV of Form RD 1927-9.

C. **“Encumbrances, reservations, exceptions, and defects”** means all matters which would prevent the United States from obtaining the required lien on the property. These include, but are not limited to, liens, taxes and assessments, leases, easements, covenants, conditions, restrictions, reservations, rights relating to mineral, oil, gas, geothermal, timber, and water rights, prior sales of part of the property, judgements, probate proceedings, bankruptcy proceedings, or pending court actions in federal and state courts, and other matters of record which affect title to the real property or the ability of the seller to convey title or the buyer to accept title, and legally inadequate property descriptions.

D. **Scope of Search.** The approved attorney or title insurance company will determine: 1. all owners of record of the real property, 2. whether there are any outstanding encumbrances, reservations, exceptions, and defects on the real property, as outlined in paragraph C. above, 3. if a water right is to be included in the security for the loan (the attorney/title company will attach a full legal description of the water right), 4. if there are any liens or recorded claims which would prevent the Agency from obtaining an enforceable mortgage lien of the required priority on the security property. Title examination will include searches of the records, or certificates from the clerks of the appropriate State courts, federal bankruptcy courts and United States district courts, for the period determined necessary by local custom, to issue a title opinion or title insurance policy.

Complete legal descriptions of encumbrances, reservations, exceptions, and defects must be provided to the Agency upon request.

6. Other instructions:

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Loan Approval Official

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